

BILL ANALYSIS

S.B. 1256
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires comparable sales, for purposes of appraising property using the market data comparison method, to be within two years of the date as of which the market value of the subject property is to be determined, unless enough comparable properties were not sold during that period to constitute a representative sample. In that case, a sale occurring outside the two-year period may be considered. Interested parties contend that, as a result, appraisal districts can sidestep the two-year period as a matter of course on virtually every property.

S.B. 1256 seeks to address this issue as it relates to the requirements for a sale to be considered a comparable sale for property tax purposes.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1256 amends the Tax Code to establish that, for the purposes of appraising property using the market data comparison method for a residential property in a county with a population of more than 150,000, a sale is not considered to be a comparable sale unless the sale occurred within 36 months of the date as of which the market value of the subject property is to be determined, regardless of the number of comparable properties sold during that period.

EFFECTIVE DATE

January 1, 2014.